

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

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|-----------------------|-------------------------------------|------------|------------------------------|
| ADMINISTRATIVE MATTER | <input type="checkbox"/> | DATE | <u>May 19, 2021</u> |
| MOTOR CARRIER MATTER | <input type="checkbox"/> | DOCKET NO. | <u>2020-264-E/2020-265-E</u> |
| UTILITIES MATTER | <input checked="" type="checkbox"/> | ORDER NO. | <u></u> |

SUBJECT:

[DOCKET NO. 2020-264-E](#) - Duke Energy Carolinas, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20 (See Docket No. 2019-170-E);

-and-

[DOCKET NO. 2020-265-E](#) - Duke Energy Progress, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20 (See Docket No. 2019-169-E) - Staff Presents for Commission Consideration Final Disposition of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20.

COMMISSION ACTION:

In the Duke Energy Carolinas and Duke Energy Progress solar choice dockets, I move the following:

1. That the Commission adopt and approve the Stipulation made by Duke Energy Carolinas; Duke Energy Progress; North Carolina Sustainable Energy Association; Southern environmental Law Center on behalf of South Carolina Coastal Conservation League, Southern Alliance for Clean Energy, and Upstate Forever; and Vote Solar. The Stipulation provides in part that:
 - a. DEC and DEP will offer Interim Riders to residential customers submitting applications received from June 1, 2021 through and including December 31, 2021. These customers will remain on their existing rate schedule until May 31, 2029, and will be placed on a new Net Energy Metering (NEM) rider, which will include monthly netting with net excess energy credited at avoided cost and non-by passable charges for costs not directly related to the provision of electric service for each applicant.
 - b. Between June 1, 2021, and December 31, 2021, there will be a monthly cap on solar applications of 1.2 MW for DEC and 300 kW for DEP per month. If the monthly cap is reached and a customer still wants to install solar under an Interim Rider through 2029, the customer must withdraw its application and submit it again the next month, however, there is no assurance that capacity will be available.
 - c. Customers under the Interim Riders will be allowed on this rate structure until May 31, 2029, at which point they will be given the option to switch to the Permanent Tariffs. If they

elect not to be on the Permanent Tariffs, they can stay on the standard residential tariff but any volumetric price increase after their transfer year will be placed in a non by-passable charge based on the estimated total solar energy production of their system size for the remaining life of the system. The solar customer will also be assessed a minimum bill set at \$10 more than the Basic Facilities Charge ("BFC") at that time. The minimum bill will be applied in the same manner as the Monthly Minimum Bill in the Permanent Tariffs, in that it will recover some portion of the Companies' estimated customer and distribution costs. The minimum bill charge is reduced by the BFC and the portion of the customer's monthly volumetric energy charges specific to customer and distribution costs.

d. DEC and DEP will offer the Permanent Tariffs to residential customer submitting applications for the Solar Choice program after December 31, 2021.

e. Existing residential NEM solar customers will be given the option to switch to the Permanent Tariffs in 2025 or 2029 depending upon the year in which their existing tariffs sunset. If the existing NEM solar customer elects not to be on that rate, they could stay on the standard residential tariff but any volumetric price increase after the transfer year would be placed in a non-bypassable charge based on their system size for the remaining life of the system, and will include monthly netting of excess energy. The existing NEM customer would also be assessed a minimum bill set at \$10 more than the Basic Facilities Charge at that time. This minimum bill will be applied in the same manner as the Monthly Minimum Bill in the Permanent Tariffs, in that it will recover customer and distribution costs. The minimum bill charge is reduced by the BFC and the portion of the customer's monthly volumetric energy charges specific to customer and distribution costs.

f. The Permanent Tariff for residential customer-generators is a Critical Peak Pricing Time of Use Tariff. The provisions of the Permanent Tariff are set forth in Exhibit 1 attached to the Stipulation. The Permanent Tariff includes, among other provisions, prices for Peak, Off-Peak, Super-Off-Peak, and Critical Peak periods; provides for a Monthly Grid Access Fee for system sizes greater than 15 kW-dc; provides for a Monthly Minimum Bill of \$30, which is reduced by the Basic Facilities Charge and the portion of the customer's monthly volumetric energy charges specific to customer and distribution charges; provisions for netting excess exports on a monthly basis; and a provision to keep the general rate structure of time varying rates and no demand charges described in the permanent tariff open to customers for at least 10 years.

g. The Parties to the Stipulation also agree to initiate a stakeholder process whereby the parties, in consultation with other interested stakeholders, will explore a Residential Solar Choice Program option tailored to low-income customers as a potential future energy efficiency or demand response program.

h. The Companies agree to work with stakeholders within 180 days to ensure broad technology inclusion and identify other peak load reduction technologies that can be used in conjunction with the Solar Choice Program. As a step toward achieving this goal, the Companies will develop and soon file EE/DSM programs for customer generators for consideration in the Companies' EE/DSM dockets in South Carolina and North Carolina.

2. I move that the Commission adopt the Stipulation made by Duke Energy Carolinas; Duke Energy Progress; and Alder Energy Systems, Inc. The Stipulation provides in part that:

a. DEC and DEP will offer the Non-Residential Riders to non-residential customer-generators applying for interconnection after June 1, 2021. Those customers will be served under their existing tariff and a Non-Residential Rider, which will monthly netting of excess energy.

b. Monthly excess net exports will be applied as a bill credit at the same rate as residential customer-generators which are derived from the Companies' avoided cost docket.

c. Customers who sign up for a Non-Residential Rider will be eligible to remain on the rider for 10 years from the interconnection approval date, and during that time the rate structure for each customer will remain unchanged.

d. The Non-Residential Riders available to Small General Service Rate class customers will be offered for a period of 5 years from the date the Commission approves the rider or until a cap on the total solar capacity for this rate class is met, whichever occurs first, unless a new non-residential customer-generator rider is approved by the Commission outside of this stipulation. The cap shall be 5 MW-AC in DEC-SC system and 1 MW-AC region in DEP-SC under this Rider. I note that the caps should help mitigate any risk of cost shift.

e. On or after June 1, 2026, the Companies may propose changes to the rate structure within the Non-Residential Riders for new customers or place existing customers on the customer-generator rider in effect at the end of their 10-year grandfathering period.

f. Under the Non-Residential Riders, non-residential customer generators shall earn one renewable energy credit ("REC") for each MWh produced by the customer-generator's on-site generation. The Stipulation sets forth additional terms related to RECs, including but not limited to REC billing and reporting fees, an opt-out of the REC Fee provision, customer responsibilities, and other terms.

3. These Stipulations are clearly the work of significant negotiations, and I think I can speak for the Commission in recognizing and appreciating the time and effort from the Stipulating Parties to reach the agreements set forth in the Stipulations.

PRESIDING: J. Williams

SESSION: Regular

TIME: 11:00 a.m.

| | MOTION | YES | NO | OTHER |
|-------------|-------------------------------------|-------------------------------------|--------------------------|-------------------------|
| BELSER | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Present in Hearing Room |
| CASTON | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Voting via Webex |
| ERVIN | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Voting via Webex |
| POWERS | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Voting via Webex |
| THOMAS | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Present in Hearing Room |
| C. WILLIAMS | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Voting via Webex |
| J. WILLIAMS | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Present in Hearing Room |

(SEAL)

RECORDED BY: J. Schmieding

